



United Bank & Trust Company

ESSEX OFFICE

TIMOTHY C. GRISWOLD
Assistant Vice President

12397
RECORDATION NO. _____ Filed 1426

October 28, 1980

NOV 7 1980 - 11 00 AM

INTERSTATE COMMERCE COMMISSION

Secretary of the Interstate
Commerce Commission
Washington, D.C. 20423

Registered Mail
Return Receipt Requested

Dear Sirs:

I enclose the original plus two certified copies of the security agreement executed by Wells C. Bates, Jr. and United Bank and Trust Company for recordation. I also enclose our check in the amount of \$50.00 for the required fee.

Mortgagor: Mr. Wells C. Bates, Jr.
Joshuatown Road Route #2
Lyme, Conn. 06371

Mortgagee: United Bank and Trust Company
20 Main Street
Essex, Conn. 06426

Collateral: (one) 100 ton truck covered hopper railcar ICC Washington, D. C.
Railcar identifying marks MILW 101904
AAR mechanical designation "L.O."

Return Document to : United Bank and Trust Company
20 Main Street
Essex, Conn. 06426
Attn: Timothy C. Griswold,
Ass't Vice President

Sincerely,

Timothy C. Griswold
Ass't Vice President

lwt

enc:

0-312A022

No.] NOV 7 1980

Date.....

Fee \$ 50.00

Nov 6 10 57 PM '80
T.C.G.
FEE OPERATION SR.

Interstate Commerce Commission
Washington, D.C. 20423

11/7/80

OFFICE OF THE SECRETARY

Timothy C. Griswold
Assistant Vice President
United Bank & Trust Co.
20 Main Street
Essex, Conn. 06426

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/7/80 at 11:00am, and assigned recordation number(s). 12397

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SECURITY AGREEMENT NOV 7 1980 -11 00 AM

THIS AGREEMENT made this 28th day of October, 1980, by and between INTERSTATE COMMERCE COMMISSION, UNITED BANK AND TRUST COMPANY, 101 Pearl Street, Hartford, Connecticut ("Lender") and Wells C. Bates, Jr., Joshuatown Road of Lyme, Conn. 06371 ("Borrower")

WHEREAS, Borrower is indebted to Lender as evidenced by a certain promissory note in the amount of \$ 53,000.00, of even date herewith, executed and delivered by Borrower to Lender;

NOW THEREFORE, to secure the payment and the performance of all liabilities of Borrower to Lender, including without limitation, payment of said promissory note, and in consideration of the lending of money by Lender to Borrower, Borrower agrees with Lender as follows:

1. SECURITY INTEREST

Borrower hereby grants to Lender a security interest in the following property:

- (One) 100-ton truck covered hopper railcar.
Railcar identifying marks MILW 101904
AAR mechanical designation "L.O.".

together with all replacements, substitutions, parts, additions, repairs and accessories incorporated therein or hereafter affixed thereto (the "Collateral").

2. BORROWER'S REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

(a) If Borrower is a corporation, it is duly organized, validly existing in and in good standing under the laws of the state of its incorporation, and Borrower is duly qualified as a foreign corporation to do business in every other state where the nature of the business of the Borrower requires such qualification, and Borrower is duly licensed to transact business under all applicable laws.

(b) Borrower has good and marketable title to all properties and assets, whether real or personal, shown on the latest balance sheets of Borrower furnished to Lender before the execution of this agreement, subject to no mortgage, pledge, lien or encumbrance except as are shown on said balance sheets and except for current taxes not now in default, and since the date of the latest of such balance sheets there has been no material adverse change in the condition, financial or otherwise, of the Borrower from that shown on said balance sheets.

(c) Borrower has no liabilities or obligations of any nature, whether absolute, accrued, contingent or otherwise, due or to become due, except for taxes not now in default and except for operating expenses in the ordinary course of business, other than as reflected or reserved against in said balance sheets, and Borrower has no liability for federal income or other taxes other than as shown on said balance sheets and except for taxes relating to operations since the date of said balance sheets and no federal tax deficiency assessment has been made or threatened against the Borrower and there is no pending claim of deficiency or recommendation of the assessment of any deficiency against the Borrower.

(d) The execution and delivery of this Agreement and the full performance thereof by the Borrower and the granting of security to Lender as contemplated hereunder are duly authorized do not and will not violate any provisions of any of the Borrower's Certificate of Incorporation, Charter or By-Laws or any indenture or mortgage or other agreement to which the Borrower is a party or is bound.

(e) All collateral subjected to the security interest in favor of Lender pursuant to this Agreement at the time of execution hereof is owned by the Borrower free and clear of all liens, encumbrances and claims in favor of others, and Borrower will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein adverse to Lender.

3. INSURANCE, REPORTS

(a) The Borrower shall have and maintain at all times with respect to the Collateral, insurance against risks of fire, extended coverage, sprinkler leakage and other risks customarily insured against by companies engaged in similar business to that of the Borrower, in amounts, containing such terms, in such forms and for such periods as may be satisfactory to Lender, such insurance to be payable to Lender and to the Borrower as their interests may appear. All policies of insurance shall provide for ten (10) days written minimum cancellation notice to Lender. In the event of failure to provide and maintain insurance as herein provided, Lender may, at its option, provide such insurance and charge the amount thereof to Borrower. The Borrower shall furnish to Lender certificates or other evidence satisfactory to Lender of compliance with the foregoing insurance provisions.

(b) The Borrower shall maintain its books and records in a manner and form satisfactory to Lender and at all reasonable times, and from time to time, will allow Lender or its agents to examine, inspect or make extracts from Borrower's books and records and to examine the Collateral.

4. SECURITY INTEREST OF LENDER

To the extent applicable, the Uniform Commercial Code of Connecticut & New Jersey shall govern the security interest provided for herein. In connection therewith, Borrower shall take such steps and execute and deliver such financing statements and other papers as Lender may from time to time request. If by any reason the creation, validity or perfection of the security interest provided for herein is governed in whole or in part by the law of a jurisdiction other than Connecticut & New Jersey, Borrower shall take such steps and execute and deliver such papers as Lender may request in order to comply with such law.

5. NEGATIVE COVENANTS OF BORROWER

Borrower agrees that until all obligations hereunder are fully paid and discharged it will not without the prior consent of Lender:

(a) Pledge, mortgage, lease or otherwise encumber, or permit any lien to exist on any asset or property of any kind, except as may exist at and be reflected on the latest balance sheet of Borrower furnished to Lender;

(b) Incur, create, assume or permit to exist any indebtedness or liability except the indebtedness covered by this Agreement plus normal trade accounts payable and accrued liabilities;

(c) Sell, lease or otherwise dispose of any substantial part of Borrower's real or personal property;

(d) Make any loans or advances to, or become guarantor of or surety for, any other corporation or person.

6. EVENTS OF DEFAULT, ACCELERATION

Any or all of the liabilities of Borrower to Lender shall, at the option of Lender and notwithstanding any time or credit allowed by any instrument evidencing a liability, be immediately due and payable, without notice or demand, upon the occurrence of any of the following events of default: (a) default in the payment or performance, when due or payable, of any liability of Borrower to Lender, or of any indorser, guarantor or surety for any liability of Borrower to Lender; (b) failure of Borrower to pay when due any tax lawfully due on the Collateral or the premium on any policy of insurance on the Collateral; (c) the making by Borrower of any misrepresentation to Lender for the purpose of obtaining credit or an extension of credit; (d) failure of Borrower after request by Lender to furnish financial information or to permit the inspection of books, records, or the Collateral; (e) loss, theft, destruction, unauthorized sale or encumbrance to or of the Collateral, or the making or issuance of any levy, seizure, attachment or injunction

upon or against the Collateral or any other property of Borrower; (f) calling of a meeting of creditors, appointment of a committee of creditors or liquidating agents, or offering of a composition or extension to creditors by, for or of Borrower; (g) insolvency of Borrower or any indorser, guarantor or surety for any liability of Borrower to Lender; (h) such a change in the condition or affairs (financial or otherwise) of Borrower or of any indorser, guarantor or surety for any liability of Borrower to Lender as in the opinion of Lender impairs Lender's security or increases its risk.

7. POWER TO SELL COLLATERAL

Upon the occurrence of any event of default, all obligations shall, at Lender's option, immediately become due and payable, without notice to Borrower, anything in any note evidencing any such obligation or in this Agreement or in any other agreement to the contrary notwithstanding, and Lender shall have in any jurisdiction where enforcement hereof is sought, in addition to all other rights and remedies which Lender may have under law, the following rights and remedies, all of which may be exercised with or without further notice to Borrower: to foreclose the liens and security interests created under this Agreement or under any other agreement relating to the Collateral by any available judicial procedure or without judicial process; to enter any premises where the Collateral may be located for the purpose of taking possession or removing the same, to sell, assign, lease or otherwise dispose of the Collateral or any part thereof, either at public or private sale for cash, on credit or otherwise, with or without representations or warranties, and upon such terms as shall be acceptable to Lender, all at Lender's sole option and as Lender in its sole discretion may deem advisable. Lender may bid or become purchaser at any such sale if public, free from any right of redemption which is hereby expressly waived by Borrower, and Lender shall have the right at its option to apply or be credited with the amount of all or any part of the obligations owing to Lender against the purchase price bid by Lender at any such sale. The net cash proceeds resulting from the collection, liquidation, sale, lease or other disposition of the Collateral shall be applied first to the expenses (including reasonable attorney's fees) of retaking, holding, storing, processing and preparing for sale, selling, collecting, liquidating and the like, and then to the satisfaction of all obligations of Borrower to Lender; the application as to particular obligations or against principal or interest to be in Lender's discretion. Borrower shall be liable to Lender and shall pay to Lender on demand any deficiency which may remain after such sale, disposition, collection or liquidation of the Collateral, and Lender in turn agrees to remit to Borrower any surplus remaining after all obligations have been paid in full. If the Collateral shall require repairing, maintenance, preparation, or the like Lender shall have the right, but shall not be obligated, to do such repairing, maintenance or preparation for the purpose of putting the same in such saleable form as Lender shall deem appropriate, but Lender shall have the right to sell or dispose of such Collateral without such processing. Borrower will, at Lender's request, assemble the Collateral and make it available to Lender at places which Lender may select, whether at premises of Borrower or elsewhere, and will make available to Lender all premises and facilities of Borrower for the purpose of Lender's taking possession of the Collateral or for removing or putting the Collateral in saleable form.

8. WAIVERS

Borrower waives presentment, demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. Lender shall not be deemed to have waived any of its rights upon or under liabilities or the Collateral unless such waiver be in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of Lender on liabilities or the Collateral whether evidenced hereby or by any other instrument or papers shall be cumulative and may be exercised singularly or concurrently.

9. GENERAL

Any demand upon or notice to Borrower that Lender may elect to give, shall be effective if deposited in the mails or delivered to a telegraph, wireless or radio company addressed to Borrower at the address shown at the beginning of this Agreement or, if Borrower has notified Lender, in writing, of a change of address, to Borrower's last address so notified. Demands or notices addressed to Borrower's address at which Lender customarily communicates with Borrower shall also be effective. This Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the State of Connecticut & New Jersey.

10. COMMERCIAL TRANSACTION, WAIVER

BORROWER ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS LOAN IS A PART IS A COMMERCIAL TRANSACTION, AND HEREBY WAIVES ANY RIGHTS TO NOTICE AND HEARING UNDER THE LAW OF THE STATE OF ^{Connecticut &} ~~New Jersey~~, OR AS OTHERWISE ALLOWED BY THE LAW OF ANY STATE OR FEDERAL LAW, WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH LENDER OR ITS SUCCESSORS OR ASSIGNS MAY DESIRE TO USE.

11. MISCELLANEOUS

This Agreement shall become effective upon execution by the parties hereto. When so executed, this Agreement shall supersede all previous verbal or written agreements, commitments or understanding relating to Lender's security interest in the Collateral and shall be binding on and inure to the benefit of the respective heirs, personal representatives, successors and assigns of Borrower and Lender and shall continue in full force and effect and unchanged except by agreement in writing between Borrower and Lender.

BORROWER ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ATTEST:

Wells C. Bates, Jr.
BORROWER

By Wells C. Bates, Jr.

United Bank & Trust Co.
LENDER

Timothy C. Griswold
By Timothy C. Griswold, Asst. Vice Pres.

Sharon K. Brown

Meredith D. Vinci

I have compared this copy with the original
and certify it to be a true copy.

Alice H. Gross
Alice H. Gross

My Commission Expires Mar. 31, 1985